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Letter dated 5 June 2013 from the Chargé d'affaires a.i. of the Permanent Mission of the Republic of Korea to the United Nations addressed to the Chair of the Committee

I have the honour to refer to resolution 2094 (2013) and, in particular, paragraph 25 requesting Member States to report to the Security Council on the measures they have taken to implement the provisions specified therein. In that respect, I have the honour to transmit to the Security Council Committee established pursuant to resolution 1718 (2006) the national report of the Government of the Republic of Korea on the implementation of Security Council resolution 2094 (2013) (see annex).

(*Signed*) **Sul** Kyung-Hoon
Ambassador
Chargé d'affaires a.i.

13-35824 (E) 200613

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Annex to the letter dated 5 June 2013 from the Chargé d'affaires a.i. of the Permanent Mission of the Republic of Korea to the United Nations addressed to the Chair of the Committee

Report of the Republic of Korea on the implementation of Security Council resolution 2094 (2013)

I. Introduction

The Government of the Republic of Korea, hereinafter referred to as "the Korean Government", is committed to faithfully implementing Security Council resolution 2094 (2013) and to rendering full cooperation to the Security Council Committee established pursuant to resolution 1718 (2006).

The Korean Government has taken the necessary legislative and executive measures to implement Security Council resolution 1874 (2009) and submitted its national implementation report on 29 June 2009 to the Council. In accordance with the adoption of resolution 2094 (2013), the Korean Government has taken additional steps needed for its implementation.

The Republic of Korea is a member of all international non-proliferation and export control regimes, including the Nuclear Suppliers Group, the Missile Technology Control Regime, the Australia Group, the Zangger Committee and the Wassenaar Arrangement. To fulfil its responsibilities to the fullest, the Republic of Korea has established a robust system to prevent the proliferation of weapons of mass destruction, missiles and other weapons, as well as their related materials and technologies. The Korean Government will continue to contribute to international efforts to strengthen the global non-proliferation regime.

II. Present status of implementation and future plans

1. Arms and related materiel embargo (paras. 7, 20, 22 and 23)

A. Prohibition of the provision of technical training, advice and services relating to the sales of arms and related materiel (para. 7)

The South-North Exchanges and Cooperation Act requires residents of the Republic of Korea to notify the Government authorities and obtain authorization prior to visiting the Democratic People's Republic of Korea or engaging in contact or joint projects with residents of the Democratic People's Republic of Korea.

Such requirements enable the Korean Government to prohibit visits, contact or cooperation projects that could contribute to acts in violation of relevant Security Council resolutions with respect to the Democratic People's Republic of Korea, thereby preventing the transfer to the Democratic People's Republic of Korea of technical training, advice and services related to the items prohibited pursuant to the relevant Council resolutions.

In accordance with the Foreign Trade Act and the Public Notice on Trade of Strategic Items, the Korean Government controls all the goods and technologies

listed in multilateral control regimes. Government controls also apply to non-listed ("catch-all") items and brokering activities.

Under the Foreign Trade Act, any person who intends to export listed goods and technologies, hereinafter referred to as "strategic items", is required to obtain the authorization of the Minister for Trade, Industry and Energy, the Chief Regulatory Officer of the Nuclear Safety and Security Commission or the Commissioner of the Defense Acquisition Programme Administration.

Any person who intends to export goods or technologies that are not listed strategic items but nonetheless can be diverted for the manufacture, development, use or storage of weapons of mass destruction as well as their means of delivery is required to obtain the authorization of the Minister for Trade, Industry and Energy, the Chief Regulatory Officer of the Nuclear Safety and Security Commission or the Commissioner of the Defense Acquisition Programme Administration if the person knows that the end user has the intention of such diversion, or if there exist reasonable grounds to believe that the transfer has the risk of such diversion.

Any national of the Republic of Korea in the Republic of Korea who intends to transfer, or broker the sale or purchase of, strategic items from a third country to another is obliged to obtain the authorization of the Minister for Trade, Industry and Energy, the Chief Regulatory Officer of the Nuclear Safety and Security Commission or the Commissioner of the Defense Acquisition Programme Administration.

In order to enhance vigilance regarding the transfer of sensitive nuclear technologies, the Korean Government posted the main elements of Security Council resolution 2094 (2013) in the notice section of the Information Management System for Nuclear Export Control website (available from neps.go.kr) in March 2013, and has called upon relevant agencies to exercise enhanced vigilance.

Pursuant to the Foreign Trade Act, the Korean Government exercises rigorous control over the transfer of strategic technology, including the provision of technical services and the transfer of electronic intangible commodities between residents and non-residents. Thus far, the main focus of the control has been related to export from the Republic of Korea to foreign countries. For more effective control on intangible technology transfers, however, the Korean Government plans to revise the Foreign Trade Act to require Government authorization for the transfer of electronic materials on the use of technologies as well as for the education, training and teaching of foreigners by its nationals inside or outside the Republic of Korea.

With such revision in place, the Korean Government will be able to effectively prevent transfers of technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of the prohibited items by its nationals in other States.

With the objective of preventing the transfer of prohibited items to the Democratic People's Republic of Korea by brokering services, the Korean Government plans to revise the Foreign Trade Act to strengthen the authorization requirements for brokering activities. Under the planned regulations revisions, Government authorization will be required not only for the brokering activities carried out within the territory of the Republic of Korea but also for those arranged by its nationals in other States.

The Korean Government will conduct outreach briefings to 37 export companies in the nuclear industry and 5 nuclear research institutes, as well as 9 universities that have courses on nuclear engineering, in order to enhance their vigilance regarding the measures imposed by the relevant Security Council resolutions with respect to the Democratic People's Republic of Korea as well as regarding Government regulations on the transfer of sensitive nuclear technology.

B. Embargo on items specified in annex III of Security Council resolution 2094 (2013) (eight items related to nuclear, missile, and chemical weapons) (para. 20)

Following the sinking of the Republic of Korea navy vessel *Cheonan* by the Democratic People's Republic of Korea in March 2010, the Korean Government imposed the May 24 Measures in 2010, suspending all exchanges and cooperation with the Democratic People's Republic of Korea except for the Gaeseong Industrial Complex.

The May 24 Measures are extensive sanctions against the Democratic People's Republic of Korea which include: (a) strict restrictions on visits by nationals of the Republic of Korea to the Democratic People's Republic of Korea; (b) the suspension of inter-Korean trade; (c) the prohibition of new investment in the Democratic People's Republic of Korea; and (d) a ban on the operation of ships from the Democratic People's Republic of Korea in the territorial waters of the Republic of Korea. Under the May 24 Measures, the inter-Korean flow of all items, including those transiting via a third country, are subject to Government authorization. The eight additional items determined by the Security Council, as included in annex III of resolution 2094 (2013), are also controlled by the May 24 Measures.

In order to detect and prevent the transfer of the eight items via a third country to the Democratic People's Republic of Korea, the Korean Government will revise the Special Measures for Restrictions on Trade for Maintenance of International Peace and Security.

C. Catch-all control (para. 22)

The Korean Government has joined all multilateral export control regimes, including the Nuclear Suppliers Group, the Zangger Committee, the Missile Technology Control Regime, the Australia Group and the Wassenaar Arrangement, and has incorporated the requirements of those regimes into domestic laws. In 2003, the Korean Government introduced catch-all provisions in the Foreign Trade Act. In particular, as a special strategy aimed at preventing the transfer of strategic items to the Democratic People's Republic of Korea, the Korean Government enacted the Public Notice on the Procedures for Authorization of Transfers of Strategic Goods to the Democratic People's Republic of Korea in August 2007 and has updated the control items on an annual basis.

Catch-all provisions were incorporated into the Public Notice at its inception. According to the Public Notice, any person who intends to transfer an item to the Democratic People's Republic of Korea is obliged to conduct an inspection prior to such transfer to check whether the item is listed or not.

Moreover, to ensure stringent enforcement of the provisions with respect to the control of strategic items, the South-North Exchanges and Cooperation Act stipulates that any person who obtains authorization to transfer strategic goods to the Democratic People's Republic of Korea in a fraudulent or unlawful manner, or who transfers them to the Democratic People's Republic of Korea without Government authorization, is subject to a maximum of three years in prison or a fine of up to 10 million won. In addition, the import from the Democratic People's Republic of Korea of strategic items can be prohibited pursuant to the South-North Exchanges and Cooperation Act.

The Korean Government will apply catch-all controls in a stricter manner with respect to exports destined to main trading partners of the Democratic People's Republic of Korea or suspected of being associated with the individuals or entities designated for asset freeze by the Security Council.

Furthermore, the Korean Government is considering revising the Foreign Trade Act to reinforce its authority to control brokering activities involving not only the listed items but also the non-listed items.

D. Luxury goods embargo (para. 23)

In accordance with Security Council resolution 1718 (2006), the Korean Government has designated a list of 13 categories of luxury goods: alcoholic beverages, cosmetics, leather goods, fur items, carpeting goods, pearls and jewellery, electronic goods, automobiles, vessels, optical instruments, watches, musical instruments and artwork and curios. The Korean Government published the list of those items in the Public Notice on the List of Goods for Authorization and Authorization Procedures for Taking Goods into and from the Democratic People's Republic of Korea in July 2009. Luxury goods specified in annex IV of resolution 2094 (2013) are already included in the designated list of the Public Notice.

Moreover, the Republic of Korea plans to prohibit trade by the Democratic People's Republic of Korea in luxury goods through a third country by revising the Special Measures for Restrictions on Trade for the Maintenance of International Peace and Security. The revision is expected to help curb future trade by the Democratic People's Republic of Korea in luxury goods more effectively.

2. Inspection and interdiction (paras. 16 to 19)

A. Inspection in States' territories (para. 16)

In accordance with the South-North Agreement on Maritime Transportation and the South-North Exchanges and Cooperation Act, the Korean Government requires authorization by the Minister for Unification for maritime travel between the Republic of Korea and the Democratic People's Republic of Korea.

Under the South-North Agreement on Maritime Transportation, the Korean Government prohibits illicit activities by vessels of the Democratic People's Republic of Korea, including a ban on the carrying of weapons or their components during navigation in the territorial waters of the Republic of Korea. When the Korean Government determines that there exist reasonable grounds to believe that a

vessel of the Democratic People's Republic of Korea is involved in prohibited activities under the inter-Korean Agreement, it can stop, board and inspect the vessel. When a violation is confirmed, maritime authorities of the Republic of Korea can demand that the vessel leave its jurisdictional waters.

In addition, the Korean maritime authorities can inspect a vessel when there are reasonable grounds to believe that the vessel is carrying weapons of mass destruction, other weapons or related materiel in accordance with the Coast Guard Act. Such inspections shall be carried out in conformity with the treaties to which the Republic of Korea is a party and with generally recognized rules of international law.

Pursuant to article 265 of the Customs Act, the Korean Government shall inspect all cargo within or transiting through its territory when it determines that there are reasonable grounds to believe that the cargo contains prohibited items and when such an inspection is required to prevent violations of generally recognized rules of international law. Such an inspection also applies to cargo brokered or facilitated by the Democratic People's Republic of Korea or its nationals. Detailed procedures for inspection are specified in the guidelines for the inspection of cargoes related to the implementation of Security Council resolutions with respect to the Democratic People's Republic of Korea.

To curb the illicit transfer of prohibited items which have originated in the Democratic People's Republic of Korea using "vessels flying a flag of convenience or those with records of entering Democratic People's Republic of Korea ports", hereinafter referred to as "Democratic People's Republic of Korea-related vessels", the Korean Government will conduct on-the-spot inspections of all Democratic People's Republic of Korea-related vessels to check whether the cargoes in the vessels contain such items. In addition, the Republic of Korea will closely screen documents with regard to items declared as imported by Democratic People's Republic of Korea-related vessels with the objective of preventing imports disguised as originating from a third country. Furthermore, the Korean Government will maintain 24-hour vigilance on Democratic People's Republic of Korea-related vessels through the Surveillance Comprehensive Control System.

In view of the steady increase of cases in which vessels conceal their past records of entering ports in the Democratic People's Republic of Korea, the Korean Government will operate and use the Integrated Port Surveillance System and the Long-range Identification and Tracking of Ships System to more effectively ascertain whether foreign merchant vessels have entered the Democratic People's Republic of Korea in the past and to track down those that are concealing such a record. The Integrated Port Surveillance System shows types of vessels, their locations and information regarding their cargoes on an electronic sea map. The Long-range Identification and Tracking of Ships System displays information concerning vessels within 1,800 km of the shores of the Republic of Korea on an electronic sea map by using a satellite. The Korean Government will also conduct on-site precision inspections on all vessels that concealed their past records of entering the Democratic People's Republic of Korea.

Furthermore, the Korean Government will update the current guidelines for the inspection of cargoes related to the implementation of Security Council resolutions with respect to the Democratic People's Republic of Korea so as to accommodate the measures set out in resolutions 2087 (2013) and 2094 (2013).

B. Denial of entry to port to vessels that refuse to allow an inspection (para. 17)

If any vessel on the high seas refuses to allow an inspection after such an inspection has been authorized by the vessel's flag State, or if any Democratic People's Republic of Korea-flagged vessel has refused to be inspected, the Korean Government will deny such a vessel entry to its ports pursuant to article 4 of the Public Order in Open Ports Act.

In the case that a vessel is denied entry into ports of the Republic of Korea but nonetheless attempts to enter, the Korean Government will take necessary measures to stop such a vessel through a joint operation by the Navy and the Coast Guard, in accordance with a decision by inter-agency consultation and the guidelines on inspection of vessels or cargoes at sea.

C. Flight denials (para. 18)

The South-North Exchanges and Cooperation Act requires authorization from the Minister for Unification for aviation between the Republic of Korea and the Democratic People's Republic of Korea. In accordance with this Act, the Korean Government will deny permission to any aircraft that operates between the Republic of Korea and the Democratic People's Republic of Korea to take off from, land in, or overfly the territory of the Republic of Korea, if the aircraft is suspected of containing prohibited items.

Under the Aviation Act, Government authorization is required for a foreign aircraft to enter, overfly or leave the territorial airspace of the Republic of Korea. A foreign aircraft is obliged to land in a designated airfield when there is a demand from the Korean Government. Furthermore, the Aviation Act prohibits a foreign aircraft from carrying weapons and ammunitions when entering or leaving the airspace of the Republic of Korea, unless granted an exception by the relevant authorities.

D. Communication to the Committee established pursuant to resolution 1718 (2006) of any information available on transfers of aircraft or vessels of the Democratic People's Republic of Korea that may have been undertaken in order to evade sanctions or in violating the provisions of relevant resolutions (para. 19)

The Korean Government is closely monitoring possible attempts by the Democratic People's Republic of Korea to evade sanctions in various ways using aircraft or vessels of the Democratic People's Republic of Korea. The Korean Government will communicate to the Committee any information available on transfers of aircraft, vessels or ships of the Democratic People's Republic of Korea to other companies that may have been undertaken in order to evade sanctions or in violating the provisions of relevant resolutions, including the renaming or reregistering of aircraft, vessels or ships.

3. Financial and economic sanctions (paras. 8 and 11 to 15)

A. The application of recommendation No. 7 of the Financial Action Task Force (preamble)

In order to apply recommendation No. 7 of the Financial Action Task Force on targeted financial sanctions related to proliferation, the Korean Government designates persons who are involved in proliferation financing related to weapons of mass destruction and imposes restrictions on their foreign exchange transactions, pursuant to the Foreign Exchange Act and the Guidelines on Payment and Receipt for Implementation of Duty to Keep International Peace and Safety. The Korean Government also plans to amend the Prohibition of Financing for Offences of Public Intimidation Act.

B. Asset freeze (para. 8)

Since the adoption of Security Council resolution 1718 (2006), the Korean Government has imposed financial sanctions on 19 entities and 12 individuals designated by the Committee or by the Council, including the 3 individuals and the 2 entities listed in annexes I and II of resolution 2094 (2013), pursuant to the Guidelines on Payment and Receipt for Implementation of Duty to Keep International Peace and Safety. The designated entities and individuals are subject to asset freeze and are prohibited from having financial transactions with nationals or companies of the Republic of Korea.

The Ministry of Strategy and Finance has communicated the list of designated entities and individuals to relevant ministries, agencies and foreign exchange banks, and has requested them to take the necessary measures to implement the financial sanctions with respect to those entities and individuals. The list was also published in the Official Gazette, and was posted on the website of the Ministry of Strategy and Finance.

The Korean Government will add to the list any individuals or entities acting on behalf of, or at the direction of, the designated individuals and entities, or entities owned or controlled by them.

C. Prevention of the provision of financial services (paras. 11 and 14)

The Korean Government provides administrative guidance to Korean companies in order to prevent them from doing business with those banks and companies of the Democratic People's Republic of Korea that are involved in the proliferation of weapons of mass destruction and other prohibited activities. The Korean Government closely examines the nature and content of inter-Korean trade exchanges and Korean companies' investments in the Democratic People's Republic of Korea before sanctioning such exchanges and investments.

The Korean Government will strengthen measures to provide guidance to companies and to review institutional means for the transparent management of financial transactions with the Democratic People's Republic of Korea when inter-Korean trade resumes.

D. Prohibition of the opening of new branches of banks of the Democratic People's Republic of Korea, and establishing new joint ventures (para. 12)

As at June 2013, there has been no case of the Democratic People's Republic of Korea opening a new branch of its banks or establishing new joint ventures in the Republic of Korea. The Korean Government will apply strict requirements for authorization pursuant to the South-North Exchanges and Cooperation Act if the Democratic People's Republic of Korea applies for the opening of a new branch of its financial company in the Republic of Korea. Furthermore, the Korean Government will take measures to ensure that those branches, when established, are not involved in prohibited transactions or activities, including the nuclear or ballistic missile programmes of the Democratic People's Republic of Korea.

E. Prohibition of the opening of representative offices and subsidiaries in the Democratic People's Republic of Korea (para. 13)

Two banks are authorized by the Korean Government to operate representative offices in the Gaeseong Industrial Complex and the Mountain Geumgang Tourism District in the Democratic People's Republic of Korea.

The bank in the Gaeseong Industrial Complex was established to support the business activities of companies of the Republic of Korea in the Complex, and its clients are confined to the people and companies of the Republic of Korea. The bank in the Mountain Geumgang Tourism District was opened and operated for the convenience of tourists and companies of the Republic of Korea, but has ceased operations owing to the suspension of Mountain Geumgang tours in July 2008.

The Democratic People's Republic of Korea is not entitled to use either bank. Since those banks were operating in accordance with the financial system of the Republic of Korea, there is no possibility of their being used for prohibited activities such as nuclear or ballistic missile programmes of the Democratic People's Republic of Korea.

F. Prevention of the provision of public financial support (para. 15)

The Korean Government operates insurance and loan programmes for companies participating in inter-Korean trade in accordance with the South-North Cooperation Fund Act.

When companies of the Republic of Korea engage in inter-Korean trade apply for insurance or loans, the Korean Government will make decisions on whether or not to provide insurance or loans and on limits to the amounts to be provided on the basis of a preliminary evaluation of the nature of the business and the parties of the Democratic People's Republic of Korea involved. Once their loans have been granted, the Korean Government will closely monitor their activities.

4. Travel ban (paras. 9 and 10)

Pursuant to the South-North Exchanges and Cooperation Act, residents of the Democratic People's Republic of Korea need authorization from the Minister for Unification of the Republic of Korea to visit the Republic of Korea. Through that requirement, the Korean Government denies entry into the Republic of Korea to individuals designated by the Security Council, as well as those working on behalf of or at the direction of a designated individual or an entity, or assisting in the evasion of sanctions or violating Security Council resolutions.

In addition, if the Korean Government determines that a national of the Republic of Korea is working on behalf of or at the direction of a designated individual or entity, or assisting in the evasion of sanctions or violating Security Council resolutions, it will restrict that person's visit to the Democratic People's Republic of Korea pursuant to the South-North Exchanges and Cooperation Act.

In the case of foreigners working on behalf of or at the direction of a designated individual or entity, or of those assisting in the evasion of sanctions or violating the provisions of resolutions, the Korean Government will prevent their entry into or transit through its territory by including them in the entry denial list pursuant to the Immigration Control Act.

5. Liability limitations (para. 30)

The Korean Government will review measures to ensure that no claim shall lie at the instance of the Democratic People's Republic of Korea, or of any person or entity in the Democratic People's Republic of Korea, or of persons or entities designated pursuant to measures set forth in relevant resolutions, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the measures imposed by the relevant resolutions.